



Proposal Number: 10-P036C Proposals will be received until: December 3, 2010 @ 11:30 am	
Proposal Title: Audit Services	
Non-Mandatory Pre-Proposal: November 22, 2010 @ 9:30 am at 116 Meeting St., Charleston, SC	
Mailing Date: November 12, 2010 Direct Inquiries to: Gary Cooper, Procurement Director	
Vendor Name:	FEIN/SS#:
Vendor Address:	
City – State – Zip:	
Telephone Number:	Fax Number:
Minority or Women Owned Business: Are you a certified Minority or Women-Owned business in the State of South Carolina? <input type="checkbox"/> Yes <input type="checkbox"/> No If so, please provide a copy of your certificate with your response.	
Authorized Signature: _____	Title: _____
Date: _____	
I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this proposal and certify that I am authorized to sign this proposal for the Offeror.	

IMPORTANT

1. This solicitation does not commit the City of Charleston to award a contract, to pay any costs incurred in the preparation of applications submitted, or to procure or contract for the services. The City reserves the right to accept or reject any, all or any part of any proposal received as a result of this Solicitation, or to cancel in part or in its entirety this Solicitation if it is in the best interest of the City to do so. The City shall be the sole judge as to whether proposals submitted meet all requirements contained in this solicitation.
2. Offeror may **mail**, or **hand-deliver** response to the Procurement Division. **Do Not Fax** in the proposal response. Please show the solicitation number on the outside of any mailing package. The City of Charleston assumes no responsibility for unmarked or improperly marked envelopes. If directing any other correspondence, address the envelope to the Procurement Division, but do not include the proposal number on this envelope. If the Offeror chooses not to respond to this solicitation, it is recommended to return the "No Proposal Response Form" to our office.
3. **DEADLINE FOR SUBMISSION OF OFFER:** Any proposal or offer received after the Procurement Director of the governmental body or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or the governmental bodies' mail room which services that purchasing office prior to the proposal opening. [R.19-445.2070(H)]
4. Questions regarding this solicitation must be submitted to Gary Cooper or Robin Barrett in writing no later than 3:30 p.m. on November 22, 2010. Questions may either be faxed to 843-720-3872 or emailed to Robin D. Barrett @ barrettr@charleston-sc.gov.

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INSTRUCTIONS TO OFFERORS

1. Submit one (1) signed original response. *(Unless otherwise specified in the solicitation.)* Proposals must be mailed or hand-delivered. **Responses received by fax or other electronic means (email, CD, etc.) will be rejected.** Proposals must be submitted in a sealed envelope and must be addressed to the City of Charleston Procurement Division, 145 King Street, Suite 104 Charleston, SC 29401. Failure to do so may result in a premature opening of, or failure to open such Proposal. Each sealed envelope containing a Proposal shall be marked on the outside with the Offeror's complete Name, Address, Solicitation Number, Description of Services Requested by Solicitation (i.e., Elevator Maintenance, Road Construction), along with the Due Date and Time. If you do not choose to submit a proposal, please complete and return the enclosed "No Proposal" response form.

A "No Proposal" qualifies as a response; however, it is the responsibility of the Vendor to notify the Procurement Office if you receive solicitations that do not apply. Failure to respond to three (3) solicitations during the calendar year may result in removal from Vendor's List.

2. Offerors must clearly mark as "**Confidential**" each part of their proposal which they consider to be proprietary information that could be exempt from disclosure under section 30-4-40, Code of Laws of South Carolina, 1976 (1986 Cum. Supp.) (Freedom of Information Act). If any part is designated as confidential, there must be attached to that part, an explanation of how this information fits within one or more categories listed in section 30-4-40. The agency reserves the right to determine whether this information should be exempt from disclosure and no legal action may be brought against the state or its agents for its determination in this regard.
3. Proposals must be made in the official name of the individual, firm, company, partnership, corporation, joint venture or other legal entity under which the business is conducted (showing official business address) and must be signed in ink by a person duly authorized to legally bind the legal entity submitting the proposal.
4. Proposals should be typewritten or computer-generated. A Proposal shall include, but is not limited to, addresses of all legal entities which will participate in the proposed services. The type of organization of the Offeror, whether individual, firm, partnership, corporation, joint venture or other legal entity, shall be stated. Any affiliations, parent-subsidiary relationships, and corporate identities including the names of the principals of such legal entity must be fully disclosed and clearly explained.
5. If an error is made before submitting the proposal, the error should be crossed out, corrections entered and initialed by the person signing the proposal. Erasures or use of typewriter correction fluid may be cause for rejection. No proposal shall be altered or amended after specified time for opening.
6. Proposals may be withdrawn by written request received from the Offeror prior to the time set for opening of Proposals, but not thereafter.
7. Proposals should be prepared simply and economically. All data, materials, and documentation shall be available in a clear, concise form and reproducible upon request "at cost" for the City's internal use. The City reserves the right to reproduce proposals for internal use in the evaluation process.
8. All Proposals shall provide a straight forward, concise description of Offeror's ability to satisfy the requirements of the Solicitation.

9. All Addendum and Award Notices will be posted on our website: www.charleston-sc.gov, then click on the Bidline link.
10. The terms and conditions in this Solicitation shall prevail unless otherwise modified by the City of Charleston in an Addendum to this Solicitation. The City of Charleston reserves the right to reject, in whole or in part, any proposal which does not comply with such terms and conditions. The City of Charleston reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Offeror of the conditions contained in this Solicitation, unless clearly and specifically noted in the proposal submitted and confirmed in any resulting contract between the City of Charleston and the Offeror selected.
11. No substitutions shall be considered after the contract award except by Amendment.
12. The City seeks qualified vendors to be responsible for completion of the work described herein and the City reserves the option to award portions of the project to multiple Offeror if such is to the advantage of the City. Therefore, any one proposal submitted by more than one company shall be deemed to be a proposal for a joint venture between or among the companies so submitting proposals unless the proposal clearly and unequivocally describes that only one firm proposes to act as principal and the other firm(s) contractual position is clearly defined. The companies submitting as a joint venture shall be held jointly and severally responsible for the entire project and shall not be permitted to limit their liability to the City.
13. All proposals should be complete and carefully worded and shall convey all of the information requested by the City. If errors or exceptions are found in a proposal, or if the proposal fails to conform to the requirements of the Solicitation, the City shall be the sole judge as to whether that variance is significant enough to reject the proposal.
14. The City reserves the right to request satisfactory evidence of their ability to furnish services in accordance with the terms and conditions listed herein. The City further reserves the right to make the final determination as to the Offeror's ability to provide said services.
15. The Offeror is solely responsible for all costs and expenses associated with the preparation of the proposal and of any supplementary presentation (including any oral presentation) requested by the City.
16. **GRATUITIES AND KICKBACKS**
 - A) **Gratuities.** It shall be unethical for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore.
 - B) **Kickbacks.** It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor, or to hire any subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

17. OFFEROR REPRESENTATIONS

Each Offeror by submitting a Proposal represents that:

- A) The Offeror has read and understands this Solicitation (including all Specifications and Attachments) and that its Proposal is made in accordance therewith.
- B) The Offeror has reviewed the Solicitation and has become familiar with the local conditions under which the scope of work is to be performed. The failure or omission of an Offeror to acquaint himself with existing conditions shall in no way relieve him of any obligation with respect to this proposal or any resulting contract.
- C) The Proposal is based on the terms, materials, services and obligations required by this Solicitation, without exception.
- D) The Offeror is qualified to provide the services and equipment required under this Solicitation and, if awarded the contract, shall do so in a professional, timely manner using successful Offeror's best skills and attention.
- E) The Offeror is guaranteeing that all goods and services will meet the requirements of the Solicitation during the contract period.

18. COMPETITIVE PROCUREMENT

It is the intent and purpose of the City of Charleston that this Solicitation permits competition. It shall be each Offeror's responsibility to advise the City if any language, provision, or other requirement, or any combination thereof, inadvertently restricts or limits the satisfaction of the specifications stated in this Solicitation to a single source. Such notification must be submitted in writing, and must be received by the City of Charleston Procurement Division no later than the last date for written questions. Any such notification shall be reviewed by the City's Procurement Director.

19. ADDENDA/CHANGES

Any additions, deletions, modifications, or changes made to this Solicitation shall be processed through the City's Procurement Director. Any deviation from this procedure may result in the disqualification of the proposal or the cancellation of any contract resulting from this Solicitation. Requests for interpretation of this Solicitation and any other questions concerning the Solicitation shall be made in writing, and addressed to the City's Procurement Director, 145 King Street, Suite 104, Charleston, South Carolina 29401. Questions may be transmitted by fax, but it shall be the responsibility of the sender to confirm receipt by the City. These requests must be submitted by the deadline for written questions. Responses to said requests shall be made at the discretion of the City's Procurement Director. When issued, such interpretations and answers to such questions shall be in the form of an addendum to the Solicitation which shall be posted on the City's website, www.charleston-sc.gov. All such addenda shall become part of the Solicitation and each Offeror shall be bound by such addenda whether or not received by the Offeror. The City of Charleston shall not be legally bound by any amendment or interpretation that is not in writing.

20. EVALUATION PROCESS

During the evaluation process the City of Charleston reserves the right, where it may serve the City of Charleston's best interest, to request additional information or clarification from Offerors, or to allow corrections of errors or omissions.

21. AWARD OF CONTRACT

- A) Award of contract shall be made to the most responsive and responsible Offeror(s) whose Proposal, conforming to the Solicitation, is most advantageous to the City of Charleston, price and other factors considered.
- B) The City of Charleston may, when in the best interest of the City, reject any or all Proposals or waive technicalities or informalities in any Proposals received.
- C) The City of Charleston shall be the sole judge of the suitability of the items or services to be provided pursuant to this Solicitation.
- D) Final approval may rest with members of the City Council for the City of Charleston.
- E) All things considered equal, a tie proposal will be resolved by the flip of a coin.

22. CONTRACT ADMINISTRATION

Questions or problems arising after award of this contract shall be directed to the Contracts Manager by calling (843) 965-4184. Copies of all correspondence concerning this contract shall be sent to the Contract Coordinator, 145 King Street, Suite 104 Charleston, SC 29401.

23. NOTICE OF AWARD OF CONTRACT

The successful Offeror shall be notified of acceptance of its Proposal by a written Notice of Award of Contract. Successful Offeror(s) shall not undertake any work, and City shall not be responsible for payment for any work whatsoever undertaken by the successful Offeror(s) prior to issuance of the Notice to Proceed.

24. NOTICE TO PROCEED

A Notice to Proceed shall be issued after the Contractor(s) has executed the contract and has submitted acceptable Insurance Certificate(s) and Endorsement(s) and Performance and Payment Bonds to the City as well as other submittals specified herein as required to be delivered before the Notice to Proceed is issued. The Contractor(s) shall not commence work until it has received a written Notice to Proceed from the City's Director of Procurement.

25. OTHER CONTRACTS

The City of Charleston may undertake or award other contracts for portions of the work or additional work, and the Contractor(s) shall fully cooperate with such other contractors and City of Charleston employees and carefully fit its own work to such work as may be directed by the City. The Contractor(s) shall not commit or permit any act which shall interfere with the performance of work by any other contractor or by City of Charleston employees.

26. MODIFICATION

The City's Director of Procurement shall have the unilateral right to modify any contract resulting from this Solicitation, within the general scope of work, when said modification is in the best interest of the City. The right to issue change orders is not dependent upon the consent of the successful Offeror(s). At the direction of the Director of Procurement the successful Offeror is obligated to perform the revised contract. Contract fees or prices shall be equitably adjusted where an issued change order so demands. No claim by the successful Offeror(s) for an adjustment hereunder shall be allowed if asserted after final payment under aforesaid contract.

27. INDEPENDENT CONTRACTOR

Successful Offeror is an independent contractor and shall not be deemed the agent or employee of the City of Charleston for any purpose whatsoever.

28. INSURANCE REQUIREMENTS

Upon the consummation of the contract for the services being solicited in this Solicitation and receipt of the Notice of Award by the successful Offeror (the "Contractor"), the Contractor shall, at all times during the term of the contract, carry insurance as required by the insurance requirements outlined in the insurance attachment which is attached hereto and incorporated by reference. The City shall not issue a Notice to Proceed until the Contractor has submitted acceptable insurance certificates(s) or endorsement(s), which must be submitted within five (5) calendar days after receipt of the Notice of Award, and which reflect that the required coverages are in place and that all premiums have been paid. Refusal or failure to submit such certificate(s) or endorsement(s) shall constitute grounds for the City to revoke its notice of award, forfeit proposal security, and award the contract to another contractor. The City may contact the Contractor's insurer(s) or insurer(s)' agent(s) directly at any time regarding its coverages, coverage amounts, or other such relevant and reasonable issues related to this contract. The Contractor(s) shall also require any sub-contractors to carry the same coverages in the same amounts. Faxed Insurance Certificate(s) and Endorsement(s) shall be accepted if received no later than the time of contract execution and the original documents are received within one (1) business day after receipt of the fax transmittals.

29. INDEMNIFICATION

Except for expenses or liabilities arising from the negligence of the City, the Contractor who enters into a contract with the City of Charleston as a result of this Solicitation (the "Contractor") hereby expressly agrees to indemnify and hold the City harmless against any and all expenses and liabilities arising out of the performance or default of this contract as follows:

The Contractor expressly agrees to the extent that there is a causal relationship between its negligent, reckless or intentionally wrongful action or inaction, or the negligent, reckless or intentionally wrongful action or inaction of any of its employees or any person, firm, or corporation directly or indirectly employed by the Contractor, and any damage, liability, injury, loss or expense (whether in connection with bodily injury or death or property damage or loss) that is suffered by the City and its employees or by any member of the public, to indemnify and save the City and its employees harmless against any and all liabilities, penalties, demands, claims, lawsuits, losses, damages, costs, and expenses arising out of the performance or default of this Contract. Such costs are to include defense, settlement and reasonable attorneys' fees incurred by the City and its employees. This promise to indemnify shall include bodily injuries or death occurring to Contractor's employees and any person directly or indirectly employed by Contractor (including without limitation any employee of any subcontractor), the City's employees, the employees of any other independent contractors, or occurring to any member of the public. When the City submits notice, Contractor shall promptly defend any aforementioned action. This obligation shall survive the suspension or termination of the contract. The limits of insurance coverage required herein shall not serve to limit this indemnity obligation. The recovery of costs and fees shall extend to those incurred in the enforcement of this indemnity.

30. OFFEROR'S QUALIFICATIONS

The City reserves the right to request satisfactory evidence of any Offeror's ability to furnish services in accordance with the terms and conditions listed herein. The City further reserves the right to make the final determination as to the Offeror's ability to provide said services. We reserve the right to investigate the qualifications of any respondent under consideration, require confirmations of information furnished, and require additional evidence of qualifications to perform the work described in this Solicitation, contact references, and request an audited financial statement in order to determine a potential contractor's capabilities.

31. ASSIGNMENT

The Contractor(s) shall not assign in whole or in part its duties under the contract without the prior written consent of the City of Charleston. The Contractor shall not assign any money due or to become due to it under this contract without the prior written consent of the City of Charleston.

32. SUBCONTRACTORS

- A) If any subcontractors shall be used for this project, the Contractor shall provide to the City's Director of Procurement a list of names of any of the intended subcontractors, the subcontractor's applicable license number(s), and a description of the work to be done by each subcontractor, if requested.
- B) The Contractor(s) shall not substitute other subcontractors without the written consent of the City's Director of Procurement.
- C) Contractor(s) shall be responsible for all services performed by a subcontractor. Responsibilities include, but are not limited to, compliance with any applicable licensing regulations.
- D) If at any time the City's Director of Procurement determines that any subcontractor is incompetent or undesirable, he shall notify the Contractor(s) accordingly, and the Contractor(s) shall take immediate steps for cancellation of the subcontract and replacement thereof with a subcontract that is approved by the City of Charleston.
- E) Nothing contained in any contract resulting from this Solicitation shall create any contractual relationship between any subcontractor and the City of Charleston.

33. SUSPENSION OF WORK

The City may order the Contractor in writing to suspend, delay, or interrupt all or any part of the Work for such period of time as the City may determine to be appropriate for the convenience of the City of Charleston, or for noncompliance with the contract requirements.

34. TERMINATION

- A) For Convenience: The City reserves the right to terminate the contract with the Contractor when it is in the best interest of the City, including, but not limited to non-appropriation of funds. If the contract is so terminated, the City shall provide the Contractor with sixty (60) days written notice and shall compensate Contractor for all necessary and reasonable direct costs of performing the services actually accomplished as of the date of termination. No other costs shall be allowed for a termination for convenience. No damages shall be allowed for a termination for convenience.
- B) For Default: If the Contractor fails to comply with the terms of the contract the City shall notify the Contractor in writing of the specifics regarding such noncompliance. If the Contractor fails to begin to cure the noncompliance within five (5) days after the notice, the City may terminate the contract by written notice to the Contractor within ten (10) days thereafter and Contractor shall only be compensated for services actually completed prior to termination, contractor shall not be entitled to any costs or damages resulting from a termination under this section.

35. MATERIAL AND WORKMANSHIP; WARRANTIES AND REPRESENTATIONS

- A) If equipment, materials and supplies are to be a part of the service provided, all equipment, materials, and supplies incorporated in the work covered by the Proposal and provided by the Contractor(s) are to be new and of the most suitable grade for the purpose intended. Unless

otherwise specifically provided in this Solicitation, reference to any equipment, material, supply or patented process, by trade name, make or catalog number, shall not be construed as limiting competition. When requested, the Contractor(s) shall furnish to the City for approval the name of the manufacturer, the model number, and other identifying data and information respecting the performance, capacity, nature and rating of the machinery and mechanical and other equipment which the Contractor(s) contemplates incorporating in the work. When required by this Contract or when called for by the City the Contractor(s) shall provide full information concerning the material or supplies which he contemplates incorporating in the work. Machinery, equipment, material and supplies installed or used without the required prior approval shall be at the risk of subsequent rejection.

- B) By signing its proposal, the successful Offeror(s) shall be deemed to have represented that its staff is knowledgeable about and experienced in performing the work required in this Solicitation and warrants that it shall use best skill and attention to provide the above described work in a professional, timely manner.
- C) The City may, in writing, require the Contractor(s) to remove from the work any employee the City deems incompetent, careless or otherwise objectionable.

36. COMPLIANCE WITH LEGAL REQUIREMENTS

All applicable Federal, State and local laws, ordinances, and rules and regulations of any authorities shall be binding upon the Contractor(s) throughout the pendency of this Project. The Contractor(s) shall be responsible for compliance with any such law, ordinance, rule or regulation, and shall hold the City harmless and indemnify same in the event of non-compliance as set forth in the Contract.

37. PERMITS AND LICENSES

- A) The Contractor(s) shall, without additional expense to the City of Charleston, be responsible for obtaining all necessary licenses and permits required by the State of South Carolina, or the City of Charleston or any other authority having jurisdiction.
- B) Contractors and subcontractors are responsible at all times for obtaining applicable work permits and licenses of any kind.

38. GOVERNING/CONTROLLING LAW

The Agreement shall be governed by the laws of the State of South Carolina. The Agreement and any dispute, claim, or controversy relating to the Agreement shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the City of Charleston. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in a Circuit Court for the Ninth Judicial Circuit sitting in Charleston, South Carolina. Contractor agrees that any act by the Government regarding the Agreement is not a waiver of either the Government's sovereign immunity or the Government's immunity under the Eleventh Amendment of the United State's Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by this solicitation. The parties expressly agree that the UN Convention on the International Sale of Goods shall not apply to the contract. The prevailing party shall be entitled to attorney's fees and the cost of said litigation.

39. STATE AND LOCAL TAXES

- A) Except as otherwise provided, contract prices shall *include* all applicable state and local taxes.
- B) If applicable, two percent (2%) income tax withholding shall be withheld from each and every payment pursuant to Sections 12-8-540 and 12-8-550 of the *South Carolina Code of Laws* (1976, as amended) for certain out-of-state contractors, and such sums shall be paid over to the South Carolina Department of Revenue and Taxation (the "SCDRT"). When and if the City receives an executed SCDRT Form I-312, Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, such withholding shall cease.
- C) Contractor shall calculate that portion of the contract which is subject to the seven and one-half percent (7.5%) South Carolina sales and/or use tax, which amount shall be itemized and shown on all invoices, and shall be paid to the SCDRT by Contractor. If Contractor is a non-South Carolina company, the City shall withhold said amount from all invoices and remit payment to the SCDRT, unless Contractor furnishes City with a valid South Carolina Use Tax Registration Certificate Number.
- D) Contractor shall indemnify and hold harmless the City for any loss, cost, or expense incurred by, levied upon or billed to the City as a result of Contractor's failure to pay any tax of any type due in connection with the contract.

40. INCORPORATION BY REFERENCE

The contents of this Solicitation, including all drawings, attachments, specifications, exhibits, certificates, any addenda, Contractor's Proposal Response Form and Pricing List, and affidavits shall become part of the contract for this Project.

41. PRIME CONTRACTOR RESPONSIBILITIES

The contractor shall be required to assume sole responsibility for the complete effort as required by this Solicitation. The City shall consider the contractor to be the sole point of contact with regard to contractual matters.

42. OWNERSHIP OF MATERIAL:

Ownership of all data, material and documentation originated and prepared for the City pursuant to this contract shall belong exclusively to the City.

43. DRUG-FREE WORKPLACE:

(Note: This clause applies to any resultant contract of \$50,000 or more). The City of Charleston has amended Title 44, code of Laws of South Carolina, 1976, relating to health, by adding Chapter 107, so as to enact the Drug-Free Workplace Act. (See Act No. 593, 1990 Acts and Joint Resolutions). By submission of a signed proposal, you are certifying that you shall comply with this Act. (See Section 44-107-30). This shall certify to the using agency your compliance.

44. FUNDING

Offerors shall agree that funds expended for the purposes of the contract must be appropriated by the City of Charleston for each fiscal year included within the contract period. Therefore, the contract shall automatically terminate without penalty or termination costs if such funds are not appropriated. In the event that funds are not appropriated for the contract, the Offeror shall not prohibit or otherwise limit the City's right to pursue and contract for alternate solutions and remedies as deemed necessary by the City for the conduct of its affairs. The requirements stated in this paragraph shall apply to any amendment or the execution of any option to extend the contract.

45. SUBMITTING CONFIDENTIAL INFORMATION

(August 2002): (An overview is available at www.state.sc.us/mmo/legal/foia.htm) For every document Offeror submits in response to or with regard to this Solicitation, Offeror must separately mark with the word "CONFIDENTIAL" on every page, or portion thereof, that Offeror contends contains information that is exempt from public disclosure because it is either (a) a trade secret as defined in Section 30-4-40(a)(1), or (b) privileged and confidential, as that phrase is used in Section 11-35-410. For every document Offeror submits in response to or with regard to this Solicitation, Offeror must separately mark with the words "TRADE SECRET" on every page, or portion thereof, that Offeror contends contains a trade secret as that term is defined by Section 39-8-20 of the Trade Secrets Act. For every document Offeror submits in response to or with regard to this Solicitation, Offeror must separately mark with the word "PROTECTED" on every page, or portion thereof, that Offeror contends is protected by Section 11-35-1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. Offeror shall not mark its entire Proposal (bid, proposal, quote, etc.) as confidential, trade secret, or protected! If a Proposal or any part thereof, is improperly marked as confidential or trade secret or protected, the City may, in its sole discretion, determine it non-responsive. If only portions of a page are subject to some protection, Offeror shall not be allowed to mark the entire page. By submitting a Proposal to this Solicitation, Offeror (1) agrees to the public disclosure of every page of every document regarding this Solicitation that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page is conspicuously marked "TRADE SECRET" or "CONFIDENTIAL" or "PROTECTED", (2) agrees that any information not marked, as required by these bidding instructions, as a "TRADE SECRET" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. In determining whether to release documents, the City shall detrimentally rely on Offeror's marking of documents, as required by these bidding instructions, as being either "CONFIDENTIAL" or "TRADE SECRET" or "PROTECTED". By submitting a Proposal, Offeror agrees to defend, indemnify and hold harmless the City of Charleston, its officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from the City withholding information that Offeror marked as "CONFIDENTIAL" or "TRADE SECRET" or "PROTECTED". (All references to S.C. Code of Laws.)

46. RECORDS RETENTION & RIGHT TO AUDIT

The City shall have the right to audit the books and records of the Contractor as they pertain to this contract. Such books and records shall be maintained for a period of three (3) years from the date of final payment under the contract. The City may conduct, or have conducted, performance audits of the Contractor. The City may conduct, or have conducted, audits of specific requirements of this proposal as determined necessary by the City. Pertaining to all audits, the Contractor shall make available to the City access to its computer files containing the history of contract performance and all other documents related to the audit. Additionally, any software used by the Contractor shall be made available for auditing purposes at no cost to the City.

47. COST

Costs submitted with a Proposal shall be firm for a period of at least ninety (90) days from the closing date. All prices shall be firm-fixed type, unless stated otherwise.

48. UNSUCCESSFUL OFFERORS

Offerors not awarded a contract under this solicitation, may request return of their proposals within thirty (30) days after notification of award is mailed. All cost of returns shall be paid by the Offeror. If Federal Express, UPS, or other shipping number is not received with request, all materials shall be destroyed.

49. PAYMENT FOR GOODS & SERVICES

Payment for goods & services arising out of the contract resulting from this Solicitation and received by the City shall be processed within 30 days of receipt of a valid invoice.

50. DISCUSSION/NEGOTIATION:

By submission of a proposal, an Offeror agrees that during the period following issuance of a proposal and prior to final award of contract, the Offeror shall not discuss this Procurement with any party except members of the City's Procurement Division or other parties specifically designated in this solicitation.

51. NON-DISCRIMINATION

The Contractor(s) shall not discriminate against any individuals based upon age, sex, race, disability or religion and shall abide by the requirements contained in Federal Executive Order Number 11246, as amended, including specifically the provisions of the equal opportunity clause.

52. DEFAULT

In case of default by the Contractor, the City reserves the right to purchase any or all items in default in the open market, charging the Contractor with any excessive costs. Should such charge be assessed, no subsequent response will be accepted from the defaulting Contractor until the assessed charge has been satisfied.

53. FORCE MAJURE

The Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not restricted to acts of God or of the public enemy, acts of the Governments in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the contractor and subcontractor, and without the fault or negligence of either of them, the contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the contractor to meet the required delivery schedule.

54. EXCEPTIONS AND DEVIATIONS

Any deviation from specifications indicated herein must be clearly pointed out; otherwise, it will be considered that items offered are in strict compliance with these specifications, and successful Offeror will be held accountable. Deviations must be explained by accompanied documentation identifying and justifying all exceptions and deviations. Unidentified deviations found during the evaluation of the response may be cause for rejection.

55. PROMPT PAYMENT DISCOUNT TERMS

Prompt payment discount terms will be calculated from the point of complete order acceptance for services and/or commodities ordered.

56. REJECTION

The City reserves the right to reject any proposal that contains prices for individual items or services that are unreasonable when compared with the same or other proposals if such action is in the best interest of the City.

57. ARBITRATION

Under no circumstances and with no exception will the City of Charleston act as Arbitrator between the Contractor and any Sub-Contractor.

58. GUARANTEE AND WARRANTIES

The Offeror shall state his normal warranty and any extended warranties where available. Excluding any manufacturer's warranties and in addition to other warranties as provided by law or herein, all labor and materials are warranted to be free from defects for a minimum period of twenty-four (24) months after the date of final payment by the City.

59. PUBLICITY RELEASES

Contractor agrees not to refer to any award of a contract in commercial advertising in such a manner as to state or imply that the products or services provided are endorsed or preferred by the user.

60. AMENDMENTS

All questions and written responses, interpretations, corrections or changes to the RFP will be made by Addendum. Addenda will be mailed or otherwise delivered to all Offerors who have notified the City Procurement Division of receipt of the proposal.

61. WITHDRAWALS

Proposals may be withdrawn by written request received from the Offeror prior to the time set for opening of Proposals, but not thereafter.

62. AFFIRMATIVE ACTION

The successful Offeror will take affirmative action in complying with all Federal and State requirements concerning fair employment and treatment of all employees, without regard or discrimination by reason of race, color, religion, sex, national origin or physical handicap.

63. WAIVER

The City reserves the right to waive any Instruction to Offerors, General or Special Provisions, General or Special Conditions, or specifications deviation if deemed to be in the best interest of the City.

64. RESPONSE PERIOD

All responses shall be good for a minimum period of ninety (90) calendar days.

65. TERM

The initial term of the Agreement shall be for one year. The City reserves the right to extend the Agreement if the City determines the extension is in its best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

NO PROPOSAL RESPONSE FORM

Proposal Number: 10-P036C Proposals will be received until: December 3, 2010 @ 11:30 am	
Proposal Title: Audit Services	
Non-Mandatory Pre-Proposal: November 22, 2010 @ 9:30 am at 116 Meeting St., Charleston, SC	
Mailing Date: November 12, 2010 Direct Inquiries to: Gary Cooper, Procurement Director	
Vendor Name:	FEIN/SS#:
Vendor Address:	
City – State – Zip:	
Telephone Number:	Fax Number:
Minority or Women Owned Business: Are you a certified Minority or Women-Owned business in the State of South Carolina? <input type="checkbox"/> Yes <input type="checkbox"/> No If so, please provide a copy of your certificate with your response.	
Authorized Signature: _____ Title: _____	
Date: _____	
I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this proposal and certify that I am authorized to sign this proposal for the Offeror.	

To submit a “**No Proposal**” response for this project, this form must be completed for your company to remain on our Proposers list for commodities/services referenced. If you do not respond, your name may be removed from the Proposers list.

Please check statement(s) applicable to your “**No Proposal**” response

- ☐ Specifications are restrictive; i.e. geared toward one brand or manufacturer only (explain below).
- ☐ Specifications are ambiguous (explain below).
- ☐ We are unable to meet specifications.
- ☐ Insufficient time to respond to the solicitation.
- ☐ Our schedule would not permit us to perform.
- ☐ We are unable to meet bond requirements.
- ☐ We are unable to meet insurance requirements.
- ☐ We do not offer this product or service.
- ☐ Remove us from your vendor list for this commodity/service.
- ☐ Other (specify below).

Comments: _____

Proposal Number: 10-P036C	Proposals will be received until: December 3, 2010 @ 11:30 am
Proposal Title: Audit Services	
Non-Mandatory Pre-Proposal: November 22, 2010 @ 9:30 am at 116 Meeting St., Charleston, SC	
Mailing Date: November 12, 2010	Direct Inquiries to: Gary Cooper, Procurement Director

CERTIFICATE OF FAMILIARITY

The undersigned, having fully familiarized himself with the information contained within this entire solicitation and applicable amendments, submits the attached proposal, and other applicable information to the City, which I verify to be true and correct to the best of my knowledge. I further certify that this proposal response is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a proposal for the same materials, supplies, equipment or services in all respects, fair and without collusion or fraud. I agree to proposal by all conditions of this solicitation and certify that I am authorized to sign this proposal. ***By submission of a signed proposal, I certify, under penalty of perjury, that the company identified below complies with section 12-54-1020(B) for the SC Code of Law 1976, as amended, relating to payment of applicable taxes.*** I further certify all prices submitted shall remain effective for a minimum period of ninety (90) days, unless otherwise stated.

Company Name
As registered with the IRS

Authorized Signature

Correspondence Address

Printed Name

City, State, Zip

Title

Date

Telephone Number

Remittance Address

Toll-Free Number (if available)

City, State, Zip

Fax Number

Federal Tax ID (FEIN)/SS Number

SC Sales Tax Number

Minority or Women-Owned Business:

Are you a certified Minority or Women-Owned business in the State of SC?

☐ Yes ☐ No

If so, please provide a copy of your certificate with your response.

City of Charleston

Minority/Women-Owned Business Enterprise (MWBE)

Compliance Provisions

This document should be included with the submittal of the bid or offer. If the Offeror or Proposer fails to submit the form with the bid or offer as required, the procurement officer may deem the bid or proposal non-responsive or may determine that the offer is not reasonably susceptible of being selected for award.

APPLICATION:

Charleston City Council has adopted a policy setting 20% as the guidelines for combined women-owned and minority-owned business enterprise participation for this project.

Definitions:

MBE is defined as a small business owned and controlled by minorities.

WBE is defined as a small business owned and controlled by women.

This means that fifty-one percent (51%) of the business must be owned by minorities or women and that they must control the management and daily operations of the business.

The guidelines for participation in City of Charleston's contracts for services, including construction, are hereby made a part of any contract resulting from this solicitation. These requirements shall apply to all contracts and resulting subcontracts issued by contractors. A list of certified minority-owned and women-owned business enterprises can be found on the City of Charleston's web site www.charleston-sc.gov; or by contacting Theron Snype, MBE Manager, 145 King Street, Suite 104, Charleston, SC 29401, (843) 973-7247, snypet@charleston-sc.gov.

COMPLIANCE REQUIREMENTS:

1. The Proposer shall provide, **with the submittal**, the following Affidavits properly executed which signify that the Proposer understands and agrees to the incorporated contract provisions:

☐ ***Affidavit A - Listing of the Good Faith Effort & Identification of Minority and Women-owned Business Participation*** as certification that efforts were made to use MWBE businesses on this project,

AND

☐ ***Affidavit B – Work to be Performed by Minority and/or Women-owned Firms***
OR

☐ ***Affidavit C – Intent to Perform Contract with Own Workforce***, in making this certification the Proposer states that the Proposer does not customarily subcontract elements of this type project and will perform all elements of the work with his/her own current work forces.

2. All affidavits supplied by the Proposer shall become a part of the agreement between the Contractor and the City of Charleston for performance of this contract. Failure to comply with any of these statements, certifications, or intentions stated in the Affidavits, or with the MBE/WBE provisions shall constitute a breach of the contract. Any such breach may result in termination of the contract in accordance with the termination provisions contained in the contract. It shall be solely at the option of the City of Charleston whether to terminate the contract for breach. In addition any breach may result in the Offeror being prohibited from participation in future construction bids as determined by the City of Charleston.

The Contractor shall provide an itemized statement of payments to each MBE and WBE subcontractor before final payment is processed.

Name of Company: _____

Signature

Print Name

Title

Date

Attest: _____

AFFIDAVIT A
Page 1 of 2

City of Charleston, South Carolina Listing of the Good Faith Effort

Affidavit of _____
(Name of Proposer)

I have made a good faith effort to comply under the following checked areas:
(A minimum of 6 areas must be checked in order to have achieved a "good faith effort")

- 1. Contacted MBE businesses that reasonably could have been expected to submit a quote and that were known to the contractor, or available on Federal, State or local government maintained lists, at least 10 business days before the submittal date and notified them of the nature and scope of the work to be performed. ***Complete Affidavit A, Page 2.***
- 2. Followed up with contacted MBE subsequent to the initial contact and at least 72 hours prior to submittal deadline/bid opening either by phone, facsimile or in person.
- 3. Made the construction plans, specifications, and requirements available for review by prospective MBE businesses, or providing these documents to them at least 10 business days before the submittal deadline/bid opening.
- 4. Itemized elements of the work or combined elements of the work into economically feasible units to facilitate minority participation.
- 5. Attended pre-solicitation meetings scheduled by the City.
- 6. Provided MBE with assistance in getting required bonding or insurance requirements or provided alternatives to bonding or insurance for subcontractors.
- 7. Negotiated in good faith with interested MBEs and did not reject them as unqualified without sound reasons based on their capabilities. ***(Any rejection of a minority or woman business based on lack of qualifications shall include reasons for rejection documented in writing.)***
- 8. Provided MBEs with assistance in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted MBEs in obtaining the same unit pricing with the Proposer's suppliers in order to help such businesses in establishing credit.
- 9. Provided training or mentoring to at least two (2) MBEs within 120 days prior to submittal deadline/bid opening. The training or mentoring program should be in conjunction with local trade groups, technical schools or community organizations that provide recruitment, education or skill levels.
- 10. Negotiated joint venture, partnership or other similar arrangements with MBEs in order to increase opportunities for minority business participation.
- 11. Provided quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

The undersigned hereby agrees to enter into a formal agreement with the firms listed in Affidavit B Work to be performed by Minority Firms conditional upon execution of a contract with the Owner. Failure to abide by this provision will constitute a breach of the contract.

The undersigned hereby certifies that he/she has read the terms of the minority business commitment and is authorized to bind the Proposer to the commitment herein set forth.

Date: _____ Name of Authorized Officer (Print/Type): _____
Signature: _____
Title: _____

AFFIDAVIT A

Page 2 of 2

City of Charleston, South Carolina Minority Business Participation Efforts

(Use as many sheets as necessary)

I, _____, hereby certify that on this project we contacted the following minority business enterprises as subcontractors, vendors, suppliers, or providers of professional services.

1. Minority Firm Name and Contact	Minority Firm Address
Minority Firm Telephone Number _____ Minority Firm Fax Number _____ DBE Certification Number _____	Minority Group Type <input type="checkbox"/> (African American) <input type="checkbox"/> (Women) <input type="checkbox"/> (Asian American) <input type="checkbox"/> (Hispanic) <input type="checkbox"/> (American Indian) <input type="checkbox"/> (Other) <input type="checkbox"/> Follow up Verification
2. Minority Firm Name and Contact	Minority Firm Address
Minority Firm Telephone Number _____ Minority Firm Fax Number _____ DBE Certification Number _____	Minority Group Type <input type="checkbox"/> (African American) <input type="checkbox"/> (Women) <input type="checkbox"/> (Asian American) <input type="checkbox"/> (Hispanic) <input type="checkbox"/> (American Indian) <input type="checkbox"/> (Other) <input type="checkbox"/> Follow up Verification
3. Minority Firm Name and Contact	Minority Firm Address
Minority Firm Telephone Number _____ Minority Firm Fax Number _____ DBE Certification Number _____	Minority Group Type <input type="checkbox"/> (African American) <input type="checkbox"/> (Women) <input type="checkbox"/> (Asian American) <input type="checkbox"/> (Hispanic) <input type="checkbox"/> (American Indian) <input type="checkbox"/> (Other) <input type="checkbox"/> Follow up Verification
4. Minority Firm Name and Contact	Minority Firm Address
Minority Firm Telephone Number _____ Minority Firm Fax Number _____ DBE Certification Number _____	Minority Group Type <input type="checkbox"/> (African American) <input type="checkbox"/> (Women) <input type="checkbox"/> (Asian American) <input type="checkbox"/> (Hispanic) <input type="checkbox"/> (American Indian) <input type="checkbox"/> (Other) <input type="checkbox"/> Follow up Verification

We certify, under penalties of perjury, that we have examined the information in this affidavit, and to the best of our knowledge and belief, this information is true, correct and complete.

Date: _____ Name of Authorized Officer (Print/Type): _____

Sworn to before me this ____ day of _____, 20____. Signature: _____

Notary Public for the State of _____
My Commission Expires: _____ Title: _____

Print Name: _____

Notary Seal:

Phone Number: _____

Address: _____

AFFIDAVIT B

City of Charleston, South Carolina Work to be Performed by Minority Businesses

Affidavit of _____ I hereby certify that on the
(Name of Proposer)

_____, Total Project Amount \$ _____
(Project Name)

I will make a good faith effort to expend a minimum of _____% of the total dollar amount of the contract with minority business enterprises. Minority businesses will be employed as subcontractors, vendors, suppliers, or providers of professional services. Such work will be subcontracted to the following firms listed below:

(Attach additional sheets if needed)

Name and Phone Number	*Minority Code	Work Description	Dollar Value
			\$
			\$
			\$
			\$
			\$
			\$
			\$

Total MBE Participation: _____ % \$ _____

* Minority categories: African American (**B**); Hispanic (**H**); Asian American (**A**), American Indian (**I**);
Woman Owned (**W**); Other (**D**)

The undersigned will enter into a formal agreement with minority firms for work listed in this schedule conditional upon execution of a contract with the Owner.

The undersigned hereby certifies that he/she has read the terms of this commitment and is authorized to bind the Proposer to the commitment set forth herein. We certify, under penalties of perjury, that we have examined the information in this affidavit, and to the best of our knowledge and belief, this information is true, correct and complete.

Date: _____ Name of Authorized Officer (Print/Type): _____

Signature: _____

Title: _____

Sworn to before me this ____ day of _____, 20___. Notary Public for the State of _____

My Commission Expires: _____

Notary Seal:

Print Name: _____

Phone Number: _____

Address: _____

AFFIDAVIT C
City of Charleston, South Carolina
Intent to Perform Contract with Own Workforce

Affidavit of _____
(Name of Proposer)

I hereby certify that it is our intent to perform 100% of the work required for the _____
_____ contract.
(Name of Project)

In making this certification, the Proposer states that the Proposer does not customarily subcontract elements of this type project, and normally performs and has the capability to perform and will perform all the elements of the work on this project with his/her own current work forces, and

The Proposer agrees to provide any additional information or documentation requested by the Owner in support of the above statement.

The undersigned hereby certifies that he/she has read this certification and is authorized to bind the Proposer to the commitments contained herein. We certify, under penalties of perjury, that we have examined the information in this affidavit, and to the best of our knowledge and belief, this information is true, correct and complete.

Date: _____ Name of Authorized Officer (Print/Type): _____

Signature: _____

Title: _____

Sworn to before me this ____ day of _____, 20__.

Notary Seal:

Notary Public for the State of _____

My Commission Expires: _____

Print Name: _____

Phone Number: _____

Address: _____

General Information

The City of Charleston, South Carolina is soliciting proposals from qualified firms of certified public accountants to audit its financial statements for fiscal year ending December 31, 2010, with the option to extend the resulting agreement for each of the four (4) subsequent fiscal years at the City's sole discretion.

There will be a Non-Mandatory Pre-Proposal Meeting at 9:30am on November 22, 2010. It will be held in the Conference Room at 116 Meeting Street, Charleston, SC 29401.

These audits must be performed in accordance with auditing standards generally accepted in the United States of America, the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Single Audit Act* as amended; and the OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* as well as the audit requirements as stated in the following trust documents:

- Public Facilities Corporation Certificates of Participation, Series 2003
- Special Obligation Redevelopment Bond, Series 2005 (Waterfront Park TIF)
- Revenue Bond, Series 1997 (Concord Street Parking Facility)
- Special Obligation Redevelopment Bond, Series 2002 (King Street Gateway TIF)
- Special Obligation Redevelopment Bond, Series 2009 (Charleston Neck)
- Revenue Bond Series 2000 (Governor's Park)
- Revenue Bond Series 2010 (City Market Bond)
- All General Obligation Bonds official statements

Procurement Process

The RFP (Request for Proposal) is **not a bid**. In the event the City elects to negotiate a contract with the successful Vendor, any contract shall contain, at a minimum, the term and conditions (or substantially the same term and conditions) as hereinafter stated. The City reserves the right, in its sole discretion, to reject all submissions, reissue a subsequent RFP, terminate, restructure or amend this procurement process at any time. The final selection and contract negotiation rests solely with the City.

Questions

Every effort has been made to insure that all information needed by the Offeror is included herein; however, questions are allowed and encouraged to clear up any information as described herein, etc. The City will not accept telephone calls or visits regarding this RFP. **All questions shall be in writing and addressed to: Gary Cooper or Robin D. Barrett, City of Charleston, Procurement Division, 145 King Street, Suite 104, Charleston, South Carolina 29401, or email to: barrettr@charleston-sc.gov. Written Questions may also be faxed to: 843-720-3872. All questions must be received before 3:30 pm on November 22, 2010.** No interpretation shall be binding upon the City unless in writing from the City's Corporate Counsel.

Oral Statements

No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. The City of Charleston shall not be legally bound by any amendment or interpretation that is not in writing.

Contractor Solely Responsible for Performance

Vendor shall be responsible for the performance of the services required by the contract. Vendor is an independent contractor and does not act as the City's agent or employee.

Contract Negotiations

The City will rank, based upon the evaluation criteria, all responsible and responsive Vendors. The City will begin negotiations with the top ranked Vendors and will continue with negotiation down the ranking until a satisfactory contract with the City is finalized, if any. The terms and conditions of the contract will be no less advantageous than the provisions of this RFP or the Vendor's proposal. The City reserves the right to make a partial award or to split the award at its sole discretion.

Vendor's Duty to Inspect and Advise and Declare All Costs

Each Vendor shall become fully acquainted with the City's requirements and the scope of commodities and/or services to be provided. Vendor shall have a duty to request any information from the City as it deems necessary to prepare the RFP. No change order will be granted or additional compensation permitted if based upon information the Vendor knew or should have known as part of the Vendor's duty to become acquainted with the City's circumstances and requirements.

Proposal Preparation

All proposals should be complete and carefully worded and must convey all the information requested by the City of Charleston. If significant errors are found in the Offeror's proposal, or if the proposal fails to conform to the essential requirements of the RFP, the City, and the City alone, will be the judge as to whether that variance is significant enough to require rejection of the proposal.

Receipt of Proposals

Proposals must be submitted to and received by the City no later than the date and time specified within this RFP. Offerors mailing proposals should allow a sufficient mail delivery period to insure timely receipt (Open Date and Time) of their proposal by the City. Proposals received after the scheduled due date and time will not be considered.

Number of Proposals to be Submitted

Each Vendor must **submit one (1) unbound Original and eight (8) bound copies of the Proposal are required for submission, plus one (1) additional unbound black and white reproducible copy.** Only original documents will be accepted; faxed or electronically mailed versions will not be accepted. The Vendor must mark on the envelope or wrapping containing the proposal, the RFP identification number specified in the RFP and note **"Original"** on the original proposal.

Proposal Format

Proposals are to be prepared in a manner designed to provide the City with a straightforward presentation of the Offeror's capability to satisfy the requirements of this RFP. All copies shall be bound in a single volume and all documentation submitted with the proposal should be bound in that single volume, where practical.

- a) All proposals should be clearly marked **"10-P036C – "2010 Audit Services"**
- b) All proposals must be submitted in a sealed envelope. All pricing information should be in a separate envelope clearly marked **"Cost Proposal"**. Both sealed envelopes are to be placed in one envelope marked **"10-P036C 2010 Audit Services"**.
- c) Proposals **must be submitted by mail or hand delivered** to Gary Cooper, Procurement Director, City of Charleston, Procurement Division, 145 King Street, Suite 104, Charleston, SC 29401.
- d) Proposals **must be received** in the City's Procurement Office **no later than 11:30 am on December 3, 2010. Late proposals will not be accepted.**
- e) No more than one proposal may be submitted by any Vendor.
- f) The proposal must be signed by an official authorized to contractually bind the Vendor.
- g) All forms from this RFP requiring signature must be included in the proposal.

Term of Contract

The initial term of the Agreement shall be for one year. The City reserves the right to extend the Agreement if the City determines the extension is in its best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

Submittal Specifications

Submittals and Evaluation Criteria

Each Offeror should provide, as a minimum, the information listed herein and the proposal submitted must reflect in detail the inclusion of these services as well as the degree or expertise in utilizing these capabilities. The response should address the following, each being more fully described herein below:

- Section One: Letter of Interest
- Section Two: Statement of Qualifications and Experience
- Section Three: Technical Proposal
- Section Four: Staffing
- Section Five: References
- Section Six: Cost Proposal listed in a sealed envelope titled “Cost Proposal”

Short List and Selection Process

The City shall select the most qualified Offeror on terms which are considered to be most advantageous to the City. In making this decision, the City shall consider all established evaluation criteria listed herein.

Each response shall be subject to the same review and evaluation process. However, final approval may rest with members of the City Council for the City of Charleston.

- A. To select the most qualified Offeror a committee will review and evaluate all responses. The selection shall be made in order of preference based on the criteria included in this solicitation. Award will be made to the responsible Offeror whose proposal is most advantageous.
- B. If the City determines that interviews are necessary to assist in the evaluation process such interviews will be conducted at the City of Charleston’s Procurement Office at 145 King Street, Suite 104 Charleston, SC. Offerors are cautioned that this provision is not mandatory; therefore, all proposals, both cost and technical, should be complete and concise and reflect the most favorable terms available from the Offeror.

Required Submittal Descriptions

1. STATEMENT OF QUALIFICATIONS AND EXPERIENCE

Offeror shall clearly demonstrate the firm’s competence, capacity and years of experience by including the following information, at a minimum:

A. QUALIFICATIONS

- Size of firm,
- Total staff members dedicated to governmental auditing,
- Office location responsible for this engagement,
- Past experience and performance on comparable government engagements, particularly municipal governments in the local area.
- Total number, nature and office location of professional staff members assigned to this engagement on a full-time basis, and
- Total number, nature and office location of the staff members assigned to this engagement on a part-time basis.
- Submit a copy of its most recent External Quality Control Review, with a statement whether that review included specific government engagements and the firm has a record of quality work.
- Provide the results and/or details of any federal or state desk reviews or field reviews

of its audits, in conjunction with information and/or status of any disciplinary action taken or pending against the firm by state regulatory bodies or professional organizations during the past three (3) years.

- The audit firm is independent and licensed to practice in South Carolina.
- The firm has no conflict of interest with regard to any other work performed by the firm for the City of Charleston.

If the Offeror is a joint venture or consortium, the qualifications of each firm should be separately identified and the firm that is to serve as the Principal auditor should be noted, if applicable.

B. EXPERIENCE

Prior/Similar Engagements

The firm shall list and describe any prior engagements or similar professional relationships involving the City of Charleston, or any other governmental entities or component units for the past three (3) years.

For the firm's office that will be assigned responsibility for the audit, provide a list of the most significant engagements (maximum of 5) performed in the past five years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours and the name and telephone number of the principal client contact. Also indicate whether any of these audit reports have been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

The firm shall demonstrate the quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

- Firms submitting proposals may consider subcontracting portions of the engagement to small and/or disadvantaged firm(s). In so doing, the name of the proposed firm(s) must be clearly identified in the proposal.
- The firm shall also provide written details of any other professional services entered into during the period of this agreement.

2. TECHNICAL PROPOSAL

A. General Requirements

The technical proposal shall demonstrate the Firm's methodology/audit approach to the service requirement listed herein. As such, the substance of proposals will carry more weight than their form or manner of presentation.

The firm shall provide an affirmative statement that it is independent of the City of Charleston, SC as defined by the United States General Accounting Office's *Government Auditing Standards*.

B. Methodology/Audit Approach

The proposal shall set forth a work plan with an explanation of audit methodology while addressing the following points:

- 1) Proposed segmentation of engagement;
- 2) Level of staff and number of hours to be assigned to each proposed segment;
- 3) Sample sizes and the extent to which statistical sampling is to be used in the engagement
- 4) Extent of use of computer software in the engagement
- 5) Type and extent of analytical procedures to be used in the engagement
- 6) Approach to be taken to gain and document an understanding of the City of Charleston's internal control structure
- 7) Approach to be taken in determining laws and regulations that will be subject to audit test work
- 8) Approach to be taken in drawing audit samples for purposes of tests of compliance

C. **Identification of Anticipated Potential Audit Problems**

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the City of Charleston.

D. **Report Format**

The proposal should include any proposed deviations in formats from the following reports

- Attachment A - Comprehensive Annual Finance Report
- Attachment B - Single Audit Report

E. **Special Requirements**

- 1) The proposal should also describe the extent to which the firm's audit procedures will utilize computer applications.
- 2) Firm shall submit a statement of arrangements detailing the firm's ability to act as liaison to, and/or have access to, offices of the state and federal governments for the purpose of obtaining prompt responses to inquiries arising from technical or procedural questions developed in the course of the examination.

This statement should include the audit approach as required by the following:

- Single Audit Act, as amended;
- Office of Management and Budget (OMB) Circular A-133; the provisions of the related
- Compliance Supplements for Circular A-133.

This statement should also include the extent of coordination with the City's oversight agency.

F. Additional Information

- 1) The proposal should indicate the firm's approach to evaluating the City's Comprehensive Annual Financial Report for conformation to the standards of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.
- 2) The proposal should include an estimate of space and equipment requirements. Please state the maximum number of desks/locations that would be required on site in the Budget, Finance & Revenue Collections (BFRC) Office and/or other City locations.

IMPORTANT NOTE: DO NOT INCLUDE ANY COST INFORMATION IN THE TECHNICAL PROPOSAL

3. STAFFING

A. Qualifications and Experience

- 1) The firm shall identify all individuals scheduled to be assigned to this engagement and indicate whether each such person is licensed to practice as a Certified Public Accountant (CPA) in the State of South Carolina. List shall include, but is not limited to,
 - Principal Supervisor,
 - Management Staff, and
 - Engagement Staff (Partners, Managers, Supervisors, and Specialist)
- 2) The firm should also provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.
- 3) A list should be provided showing the name of each person in the firm who is a reviewer in the Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting program and the number of years they have been reviewers, if any.
- 4) The firm should provide as much information as possible regarding the number, qualifications, experience, and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

B. Special Conditions

- 1) Staff Changes: The City of Charleston reserves the right to approve all staff changes, included but not limited to, consultants, partners/principals, managers, supervisors, and specialists.

In all cases of staff changes, performance levels and individual qualifications shall not fall below acceptable expectations.

- 2) Fidelity Bonds: Auditors shall provide fidelity bonding for all employees that provide any part of the services under this agreement. Copies of each employee's fidelity bond shall be provided to the City before such employee shall begin provision of services hereunder. Said fidelity bond shall be sent to the Procurement Contracts Director.
- 3) Licensing: An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in South Carolina.
- 4) External Quality Control Review: Proposal shall include a copy of the most current peer review as required in accordance with the AICPA peer review program.

4. **COST PROPOSAL**

A. **All-Inclusive Lump Sum Price**

The All-Inclusive Lump Sum Price should include the base audit and all out of pocket expenses.

Offerors shall submit the enclosed **Cost Proposal Form** with its **Schedule of Fees and Expenses** (under separate cover) with its response.

The Cost Proposal Form shall consist of the following two (2) pages:

- Cost Proposal - Page 1,
- Schedule of Fees and Expenses - Page 2

B. **Out-of-Pocket Expenses**

All out-of-pocket expenses shall be reimbursed at the rate established for the City of Charleston's employees. (See Schedule of Fees and Expenses for details)

All expense reimbursements will be charged against the All-Inclusive Lump Sum Cost.

The cost proposal should contain all pricing information relative to performing the audit engagement as described in this solicitation. The All-Inclusive Lump Sum Price shall include all direct costs, indirect costs, out- of-pocket expenses, preparation and printing of the following documents:

- Comprehensive Annual Financial Report (Fifty (50) original documents)
- Single Audit Report with Schedule of Findings and Questioned Costs (approx. 75 copies)
- SC State Code #14-1-208 and #14-1-209

C. **Additional Services**

The City reserves the right to request performance of additional and/or supplemental services pursuant to this solicitation. Said additional and/or supplemental work shall be binding only if set forth in an amendment to the contract between the City of Charleston and the firm, said amendment shall be approved by the CFO, and performed at the rates set forth in the Schedule of Fees and Expenses.

5. **REFERENCES**

A minimum of three business (3) references to include a brief description of services rendered, including the number of years a contract has been in place or services have been provided, point of contact, entity's name, address and telephone number.

SCOPE OF SERVICES

I. SERVICE REQUIREMENTS

A. General

The City of Charleston, South Carolina is requesting proposals from qualified firms of certified public accountants to audit its financial statements for fiscal year ending December 31, 2010, with the option of extending the resulting agreement for each of the four (4) subsequent fiscal years at the City's sole discretion. This audit is to be performed in accordance with the provisions contained in this Scope of Services.

B. Base Audit

1. Comprehensive Annual Financial Report (CAFR)

The Auditor shall audit the financial statements of the City of Charleston, excluding the City's Commissioners of Public Works (CPW), which are currently audited by other auditors. The Auditors of the City, shall receive, read and rely upon the other auditor's opinion on the CPW financial statements, and include CPW's financial statement data in the City's financial statements, as a component unit. The City of Charleston desires the Auditors to audit and express an opinion on the fair presentation of its financial statements in conformity with accounting principles generally accepted in the United States of America.

2. Single Audit Report

The Auditor is required to audit the City's Schedule of Expenditures of Federal Awards and express an opinion on the City's compliance in accordance with *Government Auditing Standards* and OMB Circular A-133.

3. Compliance with SC State Code # 14-1-208 and #14-1-209

C. Auditing Standards to be Followed

To meet the requirements of this solicitation, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting Standards* issued by the Comptroller General of the United States.

D. Reports to be Issued

Following the completion of the audit of the financial statements, the Auditor shall issue:

1. A Comprehensive Annual Financial Report (CAFR) for the City of Charleston, South Carolina for the period ending December 31, 2010.
2. A Single Audit Report for the period ending December 31, 2010 to include the Schedule of Expenditures of Federal Awards and other reports as required by auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Auditor shall prepare the Data Collection form.

3. Irregularities and Illegal Acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts, of which the following parties shall be made aware:

- Mayor
- Audit Committee Chairperson
- Chief Financial Officer
- Director of Internal Audit

Suspensions of such acts shall be communicated at such time as the Auditor believes is appropriate to conduct and conclude their investigation.

4. Reporting to the Audit Committee. Auditors shall assure themselves that the City Council's Audit Committee is informed of each of the following:

- The Auditor's responsibility under generally accepted auditing standards
- Management judgments and accounting estimates
- Material audit adjustments
- Disagreements with management
- Difficulties encountered in performing the audit.
- Additional significant services rendered.

E. Special Considerations

1. The City of Charleston will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Auditor will be required to provide special assistance to the City to meet the requirements of that program, including assistance in drafting responses to GFOA comments, if any.
2. The City of Charleston may prepare official statements in connection with the sale of debt securities which would contain the basic financial statements (through the footnotes) and the Auditor's report thereon. Should this be the case, the City may provide the Auditor with a draft of any document which is to include the Auditor's reports. The Auditor shall be required, if requested by the City, to issue a "comfort letter" or to perform agreed upon procedures. Please advise if services required in connection with any agreed upon procedures require additional fees.
3. The City of Charleston has determined that the U.S. Department of Housing and Urban Development will function as the oversight agency in accordance with the provisions of the Single Audit Act, as amended, and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the Auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. The Auditor will be required to make working papers available to the following parties or their designees.

- City of Charleston
- U.S. Department of Housing and Urban Development
- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments or by the City as part of an audit quality review process

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance. Copies and time to assist successor Auditors constitute additional charges and fees.

II. GOVERNMENT DESCRIPTION

A. Name and Telephone Number of Contact Persons

The Auditor's principal contacts with the City will be Stephen A. Bedard, Chief Financial Officer and Donna Emerson, Finance Director. Their respective telephone numbers are 843-579-7529 and 843-724-3710.

B. Background Information

The City of Charleston serves an area of about 100 square miles with an estimated population of approximately 125,000. The City's fiscal year begins on January 1 and ends December 31.

The Mayor is the Chief Executive and Administrative Officer of the City, which has no City Manager. The City Council is comprised of the Mayor and twelve Council Members who are elected for staggered four-year terms from single-member districts. The Mayor is the presiding officer of City Council. He has no veto power but casts a vote similar to those cast by each member of Council. Regular meetings open to the public are held twice in each month during the year, except for months of June, July and August in which only one meeting is held each month. Special meetings may be called by the Mayor or upon petition of one-third of the members of City Council. The Chief Financial Officer supervises all financial matters for the City.

The City of Charleston provides the following services to its citizens:

- Public Safety - law enforcement, fire protection and emergency preparedness planning;
- Municipal Court administration;
- Traffic and Transportation administration;
- Waste disposal;
- Street, Sidewalk and Drainage Maintenance;
- Housing and Community Development administration;
- Parks development and maintenance;
- Planning, zoning and urban development administration;
- Recreational facilities and programs initiatives and administration;
- Tourism management; and
- Promotion of the arts and access of all citizens to a broad range of the arts.

Accounting records and financial statements are maintained and prepared by the Budget, Finance and Revenue Collections Department. However, additional supporting documentation of the operations of the various programs of the City are kept by the various departments.

More detailed information on the government and its finances can be found in:

- Fiscal year 2010 Budget Documents
- Official G.O. Bond Statements
- Official COP Statements and Related Documents
- Personnel Policies and Procedures Manual

Contact Robin Barrett, CPPB, Senior Buyer for access to these documents.

C. **Fund Structure**

The City of Charleston uses the following fund types in its financial reporting:

<u>Fund Type</u>	Number of Individual <u>Funds</u>	Number With Legally Adopted <u>Annual Budgets</u>
General Fund	1	1
Special Revenue Funds*	14	1
Capital Projects Funds	5	0
Debt Service Funds	4	0
Enterprise Funds	8	8
Agency Funds	1	0
<u>Discretely Presented Component Units:</u>		
Governmental	1	N/A

*There are approximately 15 sub-funds making up the Other Special Review Fund

The City retains the right to make minor additions and/or deletions to the funds listed above, without an effect on the Auditor's fees.

D. **Budget**

The City of Charleston prepares its budget on a basis consistent with generally accepted accounting principles.

E. **Federal Awards**

During the fiscal year to be audited, the City of Charleston received federal awards. The City will provide a schedule of federal expenditures after the accounting records have closed out for the fiscal year.

F. **Pension Plans**

The City of Charleston participates in the South Carolina Retirement System, a cost-sharing, multiple-employer public employee retirement system. Full-time law enforcement employees are covered under a separate cost-sharing, multiple-employer public employee

retirement system. Generally, all permanent City employees are required to participate in the plans.

G. Component Units

The City of Charleston is defined, for financial statement purposes, in conformity with the Government Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100.

Using these criteria, one discretely presented component unit, the Commissioners of Public Works, is included in the City's financial statements. One other blended component unit is also included: the City of Charleston Public Facilities Corporation.

H. Joint Ventures

The City of Charleston does not participate in joint ventures with other governments.

I. Magnitude of Budget, Finance and Revenue Collections Operations

The Budget, Finance and Revenue Collections Department is headed by Stephen A. Bedard, Chief Financial Officer and consist of the following employees and one or more college interns. The principal functions performed and the number of employees assigned to each are as follows:

Department	Quantity	Position
Administration	1	Chief Financial Officer
	1	Deputy Chief Financial Officer
	1	Assistant Chief Financial Officer
	1	Financial Secretary
Budget & Management	1	Budget Team Supervisor
	1	Senior Budget Analyst
	2	Budget Analysts
Finance	1	Finance Director
	1	Assistant Finance Director
Accounts Payable	1	Accounting Supervisor
	2	Senior Accounting Technicians
	3	Accounting Technicians
Payroll	1	Payroll Supervisor
	3	Payroll Specialists
Accounting	3	Senior Accountants
	2	Senior Accounting Technicians
	1	Accounting Technician
	1	General Ledger Supervisor
	1	Capital Accountant
Procurement	1	Director
	1	Procurement Officer

	2	Buyers
	1	Contract Coordinator
	1	Procurement Specialist
Real Estate Management	1	Director
	1	Property Management Coordinator
Revenue Collections	1	Director
	1	Lead Tax Auditor
	1	Tax Auditor
	2	Licensing & Permit Clerks
	1	P-T Licensing & Permit Clerk
	1	Senior Code Enforcement Officer
	3	Code Enforcement Officers
	1	Senior Accounting Technician
	1	Accounting Technician
Parking Ticket Collections	1	Office Manager
	6	Licensing & Permit Clerks
Safety Management	1	Director
	1	Safety Officer
Parking Enforcement	1	Director
	1	Manager
	25	Parking Enforcement Officers
Process Improvement	1	Director
	1	Ombudsman
	1	Customer Service Coordinator
Special Facilities	1	Director
	1	Box Office Manager
	1	Assistant Box Officer Manager
	1	Building Maintenance Supervisor
	3	Special Events Coordinator
	8	Maintenance Workers
	3	Operations Manager
	1	Division Secretary
	3	Lead Cashier
	2	Event Assistants
	1	Food & Beverage Manager
	7	Food & Beverage Workers
	1	Custodial Crew Leader
	1	Maintenance Crew Leader
	4	Custodians
	1	Information Clerk
	2	Lead Sales Clerks
	5	Sales Clerks
	1	Curator

	1	Sales Supervisor
	1	Community Center Manager

K. Internal Audit Function

The City of Charleston maintains an internal audit function which reports to the Mayor.

One employee currently staffs this function. The Director of Internal Audit is a CPA and a member of several professional accounting organizations.

III. TIME REQUIREMENTS

A. Schedule for the 2010 Fiscal Year Audit (A similar schedule will be developed for audits of future fiscal years should the City choose to exercise any of its extension options.)

City's Responsibilities: Each of the following shall be completed by the City no later than the dates indicated:

1. Year End:

- a. Substantially completed general ledgers and trial balances for the General Fund and all other funds, by April 15, 2011. Journal entries will continue to be processed after the trial balance is provided.
- b. Schedules and reports requested by the Auditor by _____

Any significant delay in providing information or achieving these dates may delay the Auditor in completing his work within the other deadlines established herein.

Auditors' Responsibilities: Each of the following shall be completed by the auditor no later than the dates indicated.

1. Detailed Audit Plan
The Auditor shall provide the City a list of all additional schedules to be prepared by the City by January 31, 2011.
2. Fieldwork
The Auditor shall complete all fieldwork by May 20, 2011.
3. Draft Reports
 - a. Preliminary financial information must be provided to the Finance Director by June 6, 2011 for preparation of the Management's Discussion and Analysis.
 - b. The Auditor shall provide the Finance Director a draft of the CAFR for review by June 15, 2011. The Auditor will subsequently provide a revised draft(s) reflecting changes.
 - c. The Auditor shall provide a draft of the Single Audit Report for review by June 15, 2011.

B. Entrance Conferences, Progress Reporting and Exit Conferences

At a minimum, the following conferences should be held by the dates indicated on the schedule:

Entrance conference with Chief Financial
Officer and Finance Director

January 26, 2011

The purpose of this meeting will be to discuss audit issues. This meeting will also be used to establish an overall liaison for the audit and to make arrangements for work space and other needs of the auditor.

Progress conference with Chief Financial
Officer and Finance Director

Week of March 28 2011

The purpose of this meeting will be to identify the key controls or other matters to be tested and to discuss the year-end work to be performed.

Exit conference with Chief Financial
Officer and Finance Director

Week of June 20, 2011

The purpose of this meeting will be to summarize the results of the field work and to review significant findings.

C. Date Final Report is Due

All final reports are due no later than

June 21, 2011

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION:

A. Budget, Finance and Revenue Collections Assistance

The Budget, Finance and Revenue Collection Department office staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. **The design and typing of confirmations will be the responsibility of the Auditor.** The City shall provide names, addresses and other information required to be typed in the confirmations.

The City will design, prepare and provide for reproduction of the CAFR cover, spines and divider tabs.

B. Work Area, Telephone, Photocopying, and FAX machines

The City of Charleston will provide the Auditor with reasonable space desks, chairs, reasonable air conditioning/heat, electrical outlets, rest rooms and overtime access to the office. The Auditor will also be provided with access to photocopying facilities and FAX machines. Working space and these items shall be provided in the same building where the Department of Budget, Finance and Revenue Collections is located at 116 Meeting Street Charleston, SC 29401.

D. Report Preparation

1. Comprehensive Annual Financial Report Preparation (CAFR)

The Auditor will be responsible for the preparation (i.e. grouping of certain data, typing), editing and printing of the CAFR. The Auditor will provide the Finance Director with fifty (50) original copies of the complete CAFR.

The Auditor will also provide electronic versions of the CAFR in the formats needed for filing with DAC (Digital Assurance Certification) and for posting on the City's website.

2. Single Audit Report

The Auditor will be responsible for the preparation, editing, and printing of the Single Audit Report and shall provide the City seventy five (75) copies of the report.

The City staff shall review the draft CAFR and Single Audit reports, within five days of receipt and tie in the various key totals and results to their adjusted ledgers, trial balances and schedules.

The Auditor will provide bridging reports that tie the trail balance to combining schedules, the Other Special Reserve Fund and the Government-Wide financial statements to assist with the City's review of the financial statements.

The Auditor will provide the City access to their calculation of major fund determination. Assistance with the calculation of restricted net assets, assistance with the calculation of capital assets net of related debt and assistance with the reconciliations to the Government-Wide financial statements will also be provided.

3. Data Collection Form (Form SF-SAC)

The auditor will be responsible for completing the Data Collection Form. City staff will review the form before submission to the Federal Audit Clearinghouse.

City of Charleston

Procurement Division
145 King Street, Suite 104
Charleston, South Carolina 29401
P) 843-724-7312 F) 843-720-3872
www.charleston-sc.gov

PLEASE SUBMIT THIS PAGE AND THE NEXT TWO PAGES UNDER A SEALED SEPARATE COVER WITH YOUR RESPONSE.

Note: Failure to use this form may subject your response to rejection.

COST PROPOSAL FORM

Solicitation Number: **10-P036C**

Procurement: **SELECTION OF A PROFESSIONAL QUALIFIED FIRM TO PROVIDE FINANCIAL AUDITING SERVICES**

Closing Date/Time: **Friday, December 3, 2010 at 11:30 AM**
Location: **145 King St., Suite 104 Charleston, SC 29401**

3. Each Offeror shall submit the enclosed **Cost Proposal Form** with its **Schedule of Fees and Expenses** (under separate cover) with its response. Offerors may submit a multi-year cost proposal in anticipation of agreement term extensions. Cost of services will be considered a significant selection criterion for final vendor selection.
2. The cost proposal should contain all pricing information relative to performing the audit engagement as described in this solicitation. The All-Inclusive Lump Sum Price shall include all direct costs, indirect costs, and out- of-pocket expenses.

BASE LUMP SUM PRICE	\$ _____
LUMP SUM PRICE with 100 hours assistance from City Audit Staff	\$ _____
LUMP SUM PRICE with 200 hours assistance from City Audit Staff	\$ _____

Notes:

Company's Name

Representative

SCHEDULE OF FEES AND EXPENSES

	Personnel Services			
	Hourly Rate (Standard)	Hourly Rate (Proposed)	Total Hours	Cost
Partners/Principals				
Managers				
Supervisory Staff				
Staff				
Other (Specify): _____				
Total Cost:				

OUT OF POCKET EXPENSES

ITEMIZE BELOW

1)		(x) \$	= \$
2)		(x) \$	= \$
3)		(x) \$	= \$
4)		(x) \$	= \$
			TOTAL COST: \$

Mileage	Total Staff Miles _____	(x) \$ 0.49 / mi	= \$
			TOTAL COST: \$

LUMP SUM PRICE (All-inclusive)

\$ _____

Company's Name

Representative

ATTACHMENT A – COMPREHENSIVE ANNUAL FINANCE REPORT

<http://www.charleston-sc.gov/dept/content.aspx?nid=739>

ATTACHMENT B – SINGLE AUDIT REPORT

ATTACHMENT C – SAMPLE CONTRACT

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

AGREEMENT BETWEEN THE CITY OF CHARLESTON VENDOR FOR COMMODITY or SERVICE

THIS AGREEMENT is entered into this _____ day of _____, 20____ between the City of Charleston, a municipal corporation organized under the laws of the State of South Carolina (hereinafter referred to as “the City”), and VENDOR (hereinafter referred to as “Contractor”).

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions stated herein, the parties agree as follows:

§1. SCOPE OF SERVICES

The Auditor shall provide the Services required by this Agreement as set forth and specified in Exhibit A: RFP No. 10-P036C, which is attached hereto and previously incorporated herein by reference. The parties agree that the Scope of Work may be modified from time to time by the City, as time limitations and needs warrant. Such modifications shall be communicated to the Auditor by the City's Project Director in writing prior to changes becoming effective. Modifications to the Scope of Work may result in fee changes. Contractor shall supply an External Quality Control Review as requested by the City's Project Director.

Exhibit A: RFP #10-P036C (the “Request for Proposal”)
Exhibit B: Insurance Requirements
Exhibit C: Contractor's Proposal Response form
Exhibit D: Contractor's Cost Proposal
Exhibit E: Drug Free Workplace Certification Form

§2. PROVISION OF THE SERVICES

The Auditor represents that its staff is knowledgeable about the Services to be provided under this Agreement and agrees that it will use best efforts to provide such services in a timely, professional manner.

§3. WORK SCHEDULE

The City shall provide the records, reports and support, and the Auditor shall provide the Services in accordance with the schedule provided. The parties agree that the Work Schedule may be modified from time to time at the direction of the City or Auditor, as time limitations and needs warrant.

§4. DUTIES AND RESPONSIBILITIES

A. Contractor – “Auditor”

The Auditor shall be solely responsible for the provision of the Services in a professional and timely manner as set forth in the Scope of Work.

The "standard of care" applicable to the provision of the Services will be the degree of skill and diligence normally employed by professional auditors performing the same or similar services.

The Auditor is responsible for all Services performed by a subcontractor as if such Services were performed by the Auditor directly.

The Auditor shall be responsible for all costs used or incurred in providing the Services. Auditor will be compensated as provided elsewhere herein.

B. The City of Charleston – “The City”

It is recognized that the Auditor is highly dependent upon the City to provide complete and accurate financial records and analyses on a timely basis to enable achievement of the objective.

The City shall be responsible for all financial records including the preparation of complete and balanced trial balances, general ledgers, Auditor requested schedules and analyses. Additionally, the Parties recognize that the Auditor’s fee is based upon the continuity of key City financial personnel, effective systems of internal control and the availability of City personnel who are familiar with the accounts and systems.

§5. DEFINITIONS

Unless the context clearly requires otherwise, all capitalized terms used in this Agreement shall have the meanings set forth below:

“City” means City of Charleston, South Carolina, excluding the City Commissioners of Public Works (CPW), except when referring the Comprehensive Annual Financial Report preparation and typing.

“Professionals” shall mean the Auditor.

“Project Director” means the City’s Chief Financial Officer (or his designated representative).

“Services” means the services specified and described in this Agreement.

“The Agreement Documents” means all documents that are incorporated in this Agreement, which includes any and all Exhibits and/or Attachments and any and all attachments and addenda.

§6. CONTRACT TERM

The City hereby contracts with the Auditor to provide the services specified herein in accordance with the schedule provided by the City. The Initial Term of this Agreement shall be for a period of one (1) year from date of execution. The City reserves the right to extend the Agreement if deemed to be in its best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

In order to meet the City's time frame, the City and Auditor hereby acknowledge that time is of the essence in the performance and completion of the Services.

The City shall act upon requests of the Auditor in a reasonable period of time so as not to delay the Auditor.

§7. COMPENSATION AND PAYMENT TERMS

The Auditor is to provide the auditing and reporting services for the term of this Agreement for the total all inclusive price of \$_____.

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firms' dollar cost proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the Auditor's final reports.

Audit fees are based upon: 1) estimates of time required by the Auditor's professional personnel at varying experience levels; 2) the timely availability of management level personnel of the City for consultation on audit related matters during the examination; 3) adequate prior audits including clear trails of reporting; and 4) the timely availability of complete financial records for audit. More information related to the agreed upon arrangements and scope, and actions of the City and Auditor necessary to meet these criteria follow:

- a. The City will provide the Auditor with a schedule of expenditures of Federal Awards showing expenses reconciled to the general ledger and reported to grantor agencies.
- b. Complete audit records, include but are not limited to: 1) balanced general ledger accounts with supporting subsidiary ledgers and analyses; 2) reconciled balances with supporting schedules; 3) summary and detail of beginning capital assets and other property accounts, additions, disposals, retirements, and ending balances; 4) accrual of liabilities and obligations, and 5) budget to actual analyses and explanations. All accounts, reconciliations and trial balances will be subjected to reviews and controls by the City's personnel, to the best of their ability, to provide for accurate, complete, valid and appropriate accounting.
- c. The City will prepare a list of all funds and indicate the date each fund is expected to be closed-out, accounts analyzed and supporting schedules and reports available. Also, the City will indicate the person responsible for each fund's accounting and reports. All ledgers, statements, schedules and other data submitted to the Auditor, by the City will be prepared under a sound system of

internal controls, which requires that such information be reviewed by a supervisory City person. Each statement or schedule should be clearly labeled, initialed or signed by the preparer and reviewer, and dated as to the preparation and review performance date. The Auditor will prepare an Information Needed for Audit (INA) schedule by January 30, 2011 and review this information with City personnel. Other schedules and information, in addition to those listed on the INA, will be necessary throughout the audit, as further information, preliminary audit results and other matters will effect the nature, timing and extent of the Auditor's procedures.

- d. The Auditor will type, foot and proof all financial statements, footnotes, supplementary information and will format the statistical schedules. The City will provide all related trial balances, and prepare, type, foot and proof the letter of transmittal, management's discussion and analysis and other introductory section information and prepare the statistical section schedules in the CAFR. The City will provide written or typed fund descriptions or changes to prior year descriptions.
- e. The City will contract with other parties to provide professional and reliable services for arbitrage rebate computations, trust services, valuations and similar not-audit services.
- f. The Auditor will provide proposed adjustments to the City for approval prior to recording such adjustments in the accounts, if necessary. The Auditor will return summarized adjusted trial balances to the City, and related adjustment list.
- g. The City will post most reclassification adjustments prior to providing ledgers and trial balances to the Auditor.
- h. The City will resolve all management letter comments resulting from the prior year's audit which required reworking, adjustment and revision, and apply more diligent efforts to ensure that such areas are controlled, properly accounted for and analyzed.
- i. The City will resolve all management letter comments resulting from prior years audits, as indicated in the City's responses to such comments.
- j. An audit coordinator will be assigned by the City to facilitate providing information to the Auditor.

Notwithstanding the above, the Auditor shall not be reimbursed for any travel expenses or costs which were not authorized in writing in advance by the City.

Should the City require accounting, agreed upon procedures, compilation, bookkeeping, or other services in addition to the described auditing and reporting services, the Auditor will provide such services at their discretion at the following hourly rates for audit personnel.

Hourly Rates

	<u>Bond Offerings</u>	<u>Other Services</u>
Partners/Principals	_____	_____
Managers	_____	_____
Seniors	_____	_____
Audit staff	_____	_____
Clerical personnel	_____	_____

The Auditor will obtain prior approval of the Chief Financial Officer before incurring any additional fees or expenses.

The following examples of circumstances, among others, will require an increase in fees, as these matters are outside the audit scope:

- Additional statements issued after the execution of the Agreement by the FASB, GASB, or other standard setting bodies; or alternative pronouncements elected by the City, which will require significant changes in the scope or performance of the Auditor's work. This example specifically excludes implementation of GASB54.
- Any required material restatement of the beginning account balances, as such matters relate to previously audited years, and new pronouncements which require such changes not under the Auditor's control.
- Excessive time incurred by the Auditor in helping the City gather information for, prepare and review the letter of transmittal and the statistical section of the CAFR.
- Addition of material funds, account balances, grants, accounts, contracts, loans and arrangements.
- Absence of significant management, finance, accounting and information resources personnel continuity.
- Requirement of Auditor's personnel to pull and re-file accounting source documents rather than by the City personnel.
- Requirement of Auditor's personnel to compile, reconcile or summarize accounting data for purpose of completing the records or preparing basic books and records.
- Additional agreed upon procedures relating to financing official statements, which include the City's financial statements and the Auditor's opinion.
- Re-audit of any significant area, account or list, due to material changes after the information is initially submitted to the Auditor.

Any such additional audit work will be brought to Chief Financial Officer's attention prior to commencing work and will be billed at the rates listed above.

The Auditor shall provide to the City an itemized invoice semi-monthly setting forth the requested fee and including a detailed description of any approved additional Services performed and a listing of individuals performing such work.

Audit progress and additional service invoices shall be paid within thirty (30) days of receipt by the City. When any item thereon is questioned, payment on questioned items will be withheld pending verification of the amount claimed and the validity of the claim. The Auditor shall provide cooperation during any such investigation.

Progress payments will be made on the basis of hours of work completed during the course of the engagement, using _____ hours as the total expected time.

Invoices shall be submitted to the following address:

Donna Looms Emerson, CPA
Finance Director
City of Charleston
116 Meeting Street
Charleston, South Carolina 29401

No interest shall be due or payable under this Agreement.

No claim by the Auditor for an adjustment hereunder shall be allowed if asserted after final payment of the Auditor's final invoice under this Agreement. Final invoices shall include charges for any additional approved services.

§8. RECORDS

The Auditor shall maintain for seven (7) years from the date of final payment and all other pending matters are closed under this Agreement, all books, documents, papers, and records pertinent to this Agreement. The Auditor shall provide to the City of Charleston, the State Treasurer, the Comptroller General of the United States, or any of their duly authorized representatives or assigns access to such books, documents, papers, and records for the purpose of examining, auditing, and copying them. The Auditor further agrees to include these provisions in any subcontracts issued in connection with this Agreement.

§9. OTHER CONTRACTS

The City may undertake or award other Agreements for additional work, and the Auditor shall fully cooperate with such other contractors and City employees and carefully fit his own work to such additional work as may be directed by the Project Director. The Auditor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by City employees.

§10. MISCELLANEOUS

Severability. If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Headings. The paragraph headings used herein are for convenience of reference only and shall in no way be deemed to define, limit, or add to any of the provisions hereof.

No Waiver. The failure of either party to enforce at any time any of the provisions of this agreement shall in no way be construed as a waiver of such provision nor in any way affect the right of either party thereafter to enforce each and every provision of this agreement.

§11. WARRANTIES AND REPRESENTATIONS

- A. The Contractor hereby represents and acknowledges that it is a licensed, bonded contractor capable of performing the work hereunder.
- B. All equipment, materials, and supplies incorporated in the Work covered by the Agreement and provided by the Contractor are to be the most suitable models for the purpose intended. When requested, the Contractor shall furnish to the City for approval the name of the manufacturer, the model number, and other identifying data and information respecting the performance, capacity, nature and rating of the machinery, mechanical, and other equipment which the Contractor contemplated incorporating in the Work. Machinery, equipment, material and supplies used without the required prior approval of the City may be at the risk of subsequent rejection by the City.
- C. Contractor warrants to have represented that its staff is knowledgeable about, and experienced in providing the materials specified in the Work required under this Agreement and warrants that it will use its best skill and attention to provide the above described Work in a professional and timely manner.

§12. DELAYS AND EXTENSIONS

The Auditor agrees to provide the Services continuously and diligently and no charges or claims for damages shall be made by the Auditor for any delays or hindrance, from any cause whatsoever during the progress of any portion of the services specified in this Agreement. Time extensions may be granted only for excusable delays beyond the control and without the fault or negligence of the Auditor.

§13. MODIFICATION AND AMENDMENT

The terms and provisions of this Agreement shall not be modified or amended except by a written agreement signed by both Parties to this Agreement.

Notwithstanding the above paragraph, the Project Director has the right to modify by Change Order this Agreement when said Change Order is, in the sole opinion of the Project Director, in the best interests of the City; provided, however, the Auditor is given written notice of any modification by Change Order and City is responsible for paying the Auditor for any additional expenses incurred by the Auditor which relate to said modification. Subject to the above, the Auditor is obligated to perform the modified Agreement when so directed by the Project Director. Agreement fees or prices will be equitably adjusted where an issued change so demands.

No claim by the Auditor for an adjustment under this Agreement shall be allowed if asserted after final payment of the Auditor's final invoice under this Agreement.

§14. SUBCONTRACTOR AND ASSIGNMENT

- A. The Auditor may subcontract up to twenty percent (20%) of the audit to other audit firm's personnel, upon the approval of the City's CFO. Such approval shall not unreasonably be withheld.
- B. If any Subcontractors will be used for this project, the Contractor shall provide to the CFO a list of names of any of the intended Subcontractors, the Subcontractor's applicable license number(s), and a description of the work to be done by each subcontractor, if requested.
- C. The Contractor shall not substitute other Subcontractors without the written consent of the CFO.
- D. Contractor shall be responsible for all services performed by a Subcontractor. Responsibilities include, but are not limited to, compliance with any applicable licensing and insurance regulations.
- E. If at any time the CFO determines that any Subcontractor is incompetent or undesirable, he shall notify the Contractor accordingly, and the Contractor shall take immediate steps for cancellation of the subcontract and replacement.
- F. Nothing contained in any contract resulting from this Agreement shall create any contractual relationship between any Subcontractor and the City of Charleston.
- G. In the event of any merger, acquisition or other combination of the Auditor firm, with another firm, the City shall permit assignment of the Agreement to the newly formed firm, as long as several of the key assigned personnel continue with the new firm and plan to participate on the audit of the City. The City recognizes that individual professional efforts of the assigned audit team, rather than a firm name, are key to continued successful professional services.

§15. INDEMNIFICATION

Except for expenses or liabilities arising from the negligence of the City, the Contractor hereby expressly agrees to indemnify and hold the City harmless against any and all expenses and liabilities arising out of the performance or default of this Agreement as follows:

The Contractor expressly agrees to the extent that there is a causal relationship between its negligent, reckless or intentionally wrongful action or inaction, or the negligent, reckless or intentionally wrongful action or inaction of any of its employees or any person, firm, or corporation directly or indirectly employed by the Contractor, and any damage, liability, injury, loss or expense (whether in connection with bodily injury or death or property damage or loss) that is suffered by the City and its employees or by any member of the public, to indemnify and save the City and its employees harmless against any and all liabilities, penalties, demands, claims, lawsuits, losses, damages, costs, and expenses arising out of the performance or default of this Contract. Such costs are to include defense, settlement, court costs and reasonable attorneys' fees incurred by the City and its employees. This promise to indemnify shall include bodily injuries or death occurring to Contractor's employees and any person directly or indirectly employed by Contractor (including without limitation any employee of any subcontractor), the City's

employees, the employees of any other independent contractors, or to any member of the public. When the City submits notice, Contractor shall promptly defend any aforementioned action. This obligation shall survive the suspension or termination of this Agreement. The limits of insurance coverage required herein shall not serve to limit this indemnity obligation. The recovery of costs and fees shall extend to those incurred in the enforcement of this indemnity.

§16. INSURANCE REQUIREMENTS

The Contractor shall comply with all insurance requirements which are attached hereto and incorporated herein as Exhibit B.

§17. GRATUITIES AND KICKBACKS

Gratuities. It shall be unethical for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement of a contract or subcontract, or to any solicitation or proposal therefore.

Kickbacks. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor, or to hire any subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

§18. TERMINATION

For Convenience: The City reserves the right to terminate this Agreement when it is in the best interests of the City, including but not limited to the non-appropriation of funds. If the Agreement is so terminated, the City shall provide the Contractor with sixty (60) days written notice. No costs shall be allowed for a termination of convenience. No damages shall be allowed for a termination of convenience.

For Non-Appropriations: Funds for this Agreement are payable from the City appropriations. In the event sufficient appropriations are not made to pay the charges under the Agreement, it shall terminate without obligation to the City.

For Default: If the Contractor fails to comply with the terms of the Agreement, (specifically the quality of the product and the just in time delivery requirements), the City shall notify the Contractor in writing with the specifics regarding such noncompliance. The City then reserves the right to terminate this Agreement by written notice to the Contractor within sixty (60) days. Contractor shall not be entitled to any costs or damages resulting from a termination for default.

§19. ASSIGNMENT

The Contractor shall not assign in whole or in part any part of the Agreement without the prior written consent of the City. The Contractor shall not assign any money due or to become due to it under the Agreement without the prior written consent of the City.

§20. NOTICES

All notices required under this Agreement to either of the parties hereto shall be deemed properly given when deposited in the United States mail, either by registered or certified mail (postage prepaid) to:

To City of Charleston:

Joseph P. Riley, Jr.
Mayor
City of Charleston
PO Box 304
Charleston, SC 29402

To VENDOR:

POINT OF CONTACT
TITLE
VENDOR
ADDRESS
CITY, STATE ZIP

With copies to:

Legal Department
City of Charleston
80 Broad Street
Charleston, SC 29401

Procurement Division
City of Charleston
145 King Street, Suite 104
Charleston, SC 29401

Stephen A. Bedard
Chief Financial Officer
City of Charleston
116 Meeting Street
Charleston, SC 29401

§21. CHANGE ORDERS

No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in this Agreement. The City's Procurement Director will make all change orders to the Agreement in writing. The City of Charleston shall **not** be bound to any change in this Agreement unless approved in writing by the Procurement Director.

§22. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding and agreement between the Parties hereto and supersedes all prior and contemporaneous written and oral agreements between the Parties and their predecessors in interest regarding the subject matter of this Agreement. This Agreement may not be changed, altered, amended, modified, or terminated orally, except as specifically provided, and any change, alteration, amendment, or modification must be in writing and executed by the Parties hereto.

§23. GOVERNING LAWS

The laws of South Carolina shall govern this Agreement. All litigation arising under said Agreement shall be litigated in the Circuit Court in the Ninth Judicial Circuit of Charleston County, South Carolina.

§24. LICENSE AND PERMITS

The Contractor shall, without additional expense to the City, be responsible for obtaining all necessary licenses and permits required by the State of South Carolina, or the City of Charleston or any other authority having jurisdiction. Contractor shall provide a copy of their valid City of Charleston Business License upon the signing of this Agreement.

§25. PUBLICITY RELEASES

Contractor agrees not to refer to the award of this Agreement in any commercial advertising in such a manner as to state or imply that the products or services provided are endorsed or preferred by the City. The Contractor shall not have the right to include the City's name in its published list of customers without prior approval of the City. With regard to news releases, only the name of the City, type and duration of Contract may be used and then only with the prior approval of the City. The Contractor also agrees not to publish, or cite in any form, any comments or quotes from the City's employees unless it is a direct quote from the Public Information Officer of the City.

§26. INDEPENDENT CONTRACTOR

Contractor is an independent contractor and shall not be deemed an employee of the City of Charleston for any purpose whatsoever. Contractor acknowledges that it is the Contractor's duty to verify identity and eligibility of its employees and all sub-contractors in accordance with Immigration Reform and Control Act (IRCA) as amended. Contractor further agrees to indemnify the City in accordance with Section 6 above if Contractor fails to comply with IRCA as amended.

§27. SEVERABILITY

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid and unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

§28. WAIVER OF CONTRACTUAL RIGHTS

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

§29. COMPLIANCE WITH LEGAL REQUIREMENTS

All applicable Federal, State and local laws, ordinances, and rules and regulations of any authorities (including but not limited to any laws, ordinances or regulations relating to the SC Department of Revenue or the SC Board of Contractors) shall be binding upon the

Contractor throughout the pendency of this Agreement. The Contractor shall be responsible for compliance with any such law, ordinance, rule or regulation, and shall hold the City harmless and indemnify same in the event of non-compliance as set forth in the Agreement.

§30. BACKGROUND CHECK

The City reserves the right to conduct criminal background checks on individuals assigned to this project, including the Contractor, its employees, agents or Subcontractors.

§31. SC STATE AND LOCAL TAX

Except as otherwise provided, contract prices shall include all applicable state and local taxes.

If applicable, two percent (2%) income tax withholding shall be withheld from each and every payment pursuant to Section 12-9-310 of the South Carolina Code of Laws (1976, as amended) for certain out-of-state contractors, and such sums will be paid over to the South Carolina Department of revenue and Taxation (the “SCDRT”). When and if the City receives an executed SCDRT form I-312, Nonresident Taxpayer Registration Affidavit – Income Tax Withholding, such withholding shall cease.

Contractor shall calculate that portion of the contract that is subject to the seven and one-half percent (7.5%) South Carolina sales and/or use tax, which amount shall be itemized and shown on all invoices, and shall be paid to the SCDRT by Contractor. If contractor is a non-South Carolina company, the City will withhold said amount from all invoices and remit payment to the SCDRT, unless Contractor furnishes the City with a valid South Carolina Use Tax Registration Certificate Number. The total of all sales tax to become due and payable in connection with this Agreement is listed in herein.

Contractor shall indemnify and hold harmless the City for any loss, cost, or expense incurred by, levied upon or billed to the City as a result of Contractor’s failure to pay any tax of any type due in connection with this Agreement.

IN WITNESS WHEREOF, the parties hereto, by their authorized representatives, have signed, sealed and delivered this Agreement at Charleston, South Carolina.

WITNESSES FOR THE CITY:

Name

Title

Date: _____

Date: _____

Name

Date: _____

WITNESSES FOR VENDOR:

Name

Title

Date: _____

Date: _____

Name

Date: _____

EXHIBIT A

EXHIBIT B

INSURANCE REQUIREMENTS

Contractors working for the City of Charleston are required to procure and maintain for the duration of their contract with the City insurance against claims for injuries to persons or damages to property which may arise from or in connection with work performed by the Contractor, his agents, representatives, employees or Subcontractors. The cost of such insurance shall be the responsibility of the Contractor.

- A. The Contractor shall carry liability insurance with a reliable company licensed to do business in South Carolina. Coverage shall be at least broad as:
 - 1. Insurance Services Office Commercial General Liability Coverage Form (“occurrence”) CG 00 01 10 93.
 - 2. Insurance Services Office Business Auto Coverage Form CA 00 01 6 92 covering automobile liability, code 1 “any auto”.
- B. Contractor shall carry workers’ compensation as required by the State of South Carolina and Employers Liability insurance (including applicable occupation disease provisions and all state endorsements.)
- C. Contractor shall maintain limits no less than the following:
 - 1. **GENERAL LIABILITY:** \$1,000,000 combined single limit per occurrence for bodily injury, property damage, and personal injury with a \$2,000,000 general aggregate limit.
 - 2. **AUTOMOBILE LIABILITY:** \$1,000,000 combined single limit per accident for bodily injury and property damage.
 - 3. **WORKERS’ COMPENSATION:** Statutory limits are required by South Carolina state law, and employer’s liability limits of \$100,000 per accident.
 - 4. **PROFESSIONAL LIABILITY:** \$1,000,000 per claim/\$1,000,000 aggregate limit, with a deductible of \$20,000.

Auditor shall obtain and maintain a professional liability insurance policy covering the performance of the professional services specified in this agreement. Evidence of such insurance shall be satisfactory in form and content to the owner, the City. This coverage shall be maintained through the duration of this project and for a minimum of 1 year after substantial completion of the project as determined by the City.

The Auditor and any of its subcontractors will cause the professional liability insurance required in this paragraph C.4:

- (a) to be excess insurance over any project professional liability policy, and

- (b) to be primary insurance in the event the project insurance described in Paragraph E is canceled or not maintained, in the event the policy's limits of liability are exhausted, or if the policy expires.

D. Required policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

The City of Charleston, its officials, employees and volunteers are to be covered as additional insureds as respects: Liability arising out of activities performed by or on behalf of the Contractors; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City of Charleston, its officials, employees or volunteers. To accomplish this objective, the City of Charleston shall be named as an additional insured under the Contractor's general liability policy by attaching Insurance Services Office Commercial General Liability Endorsement CG2010 10 93 (Additional Insured - Owners, Lessees or Contractors - Form B) or its equivalent. Contractors' insurance coverage shall be primary insurance as respects the City of Charleston, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Charleston, its officials, employees, or volunteers shall be in excess of the Contractor's insurance and shall not be required to contribute. To accomplish this objective, the following wording should be incorporated in the previously referenced additional insured endorsement.

Other Insurance: This insurance is primary, and our obligations are not affected by any other insurance carried by the additional insured whether primary, excess, contingent or on any other basis.

Any failure to comply with reporting provisions of the Contractor's policies shall not affect coverage provided to the City of Charleston, its officials, employees or volunteers.

2. Workers' Compensation

The Contractor shall agree to waive all rights of subrogation against the City of Charleston, its officials, employees and volunteers for losses arising from work performed by the Contractor for the City of Charleston.

- E. Any deductibles or self-insured retentions shall be the responsibility of the Contractor.
- F. Each insured policy required by the City of Charleston shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City of Charleston.
- G. All coverages for Subcontractors shall be subject to all the requirements stated herein.
- H. Insurance must be placed with an approved insurance company with current Best's rating of A+, A, or A-. Exceptions to this requirement must be approved in writing by the Department of Risk Management.
- I. Contractor shall furnish the City of Charleston with Certificates of Insurance noting the endorsements. The Certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements

are to be received and approved by the City of Charleston, Procurement Division, before work commences. The City of Charleston reserves the right to require complete, certified copies of all required insurance policies, at any time.

Required certificates should be mailed to:

City of Charleston
Procurement Division
145 King Street, Suite 104
Charleston, SC 29401

EXHIBIT C

EXHIBIT D

City of Charleston Drug-free Workplace Certification

This certification is required by the Drug-free Workplace Act, Section 44-107-10 et seq South Carolina Code of Laws (1976, as amended). The regulations require certification by Contractors/Vendors prior to award, that they will maintain a drug-free workplace as defined below. The certification set out below is a material representation of fact upon which reliance will be placed when determining the award of a contract. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of Agreement, or suspension or debarment from the right to submit proposals for proposals for the City of Charleston projects.

For purposes of this Certification, “Drug-free Workplace” is defined as set forth in Section 44-107019 (1), South Carolina Code of Laws (1976, as amended). The aforesaid Section defines workplace to include any site where work is performed to carry out the Contractor’s/ Vendor’s duties under the contract. Contractor’s/Vendor’s employees shall be prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of the Drug-free Workplace Act.

By signing this document, the Contractor/Vendor hereby certifies that it will provide a drug-free workplace by:

- (1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor’s/Vendor’s workplace and specifying the actions that will be taken against employees for violation of the prohibition;
- (2) Establishing a drug-free awareness program to inform employees about:
 - (a) The dangers of drug abuse in the workplace;
 - (b) The Contractor’s/Vendor’s policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug violations;
- (3) Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by paragraph (1) above;
- (4) Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the Agreement, the employee will:
 - (a) Abide by the terms of the statement, and
 - (b) Notify the employer of any criminal drug statue conviction for a violation occurring in the workplace no later than five (5) days after the conviction;

- (5) Notifying the using agency within ten (10) days after receiving notice under subparagraph (4) (b), from an employee or otherwise receiving actual notice of the conviction;
- (6) Taking one of the following actions, within thirty (30) days of receiving notice under subparagraph (4) (b) with respect to any employee who is convicted:
 - (a) Taking appropriate personnel action against the employee, up to and including termination; and
 - (b) Requiring the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (1), (2), (3), (4), (5), and (6) above.

CONTRACTOR/VENDOR:

Print Name of Contractor: _____

Project: **Professional Auditing Services**

WITNESSETH:

Signature of Authorized Agent
Print Name and Title:

Date: _____
